

Questions and Answers:

Roles and Responsibilities of Program Managers For Government/Contract Property **August 6, 2014**

Question: Does PGI 245.103-70 apply to repairs, and new production?

It is not necessary for an analysis to be conducted to determine whether it is in the government's best interest to provide government property to a contractor for repairs. DFARS PGI 245.103-70 states that "such documentation is not required when contractors are furnished property for repair, modification, or overhaul under a contract." For new production, the Program Manager will need to provide supporting documentation that clearly demonstrates that it is in the best interest of the government to provide property to a contractor if the government property is required for the execution of the contract. If no government property is required, then PGI 245.103-70 does not apply.

Question: Do you know where I can find the criteria for the assets we track?

DoD Instruction 5000.64 "Accountability and Management of DoD Equipment and Other Accountable Property" provides DoD guidance for what is accountable property and how it should be managed. Generally, if the item has an acquisition cost greater than \$5,000 then the Component must maintain accurate property accountability records. Also, there are other items that must be accounted for with tight controls such as classified/sensitive items, items subject to pilfering or theft, items containing Personal Identification Information.

Question: Who is responsible for valuation of the assets?

The answer to this question is the Financial Management (FM) community. Remember, according to DoD Financial Management Regulation (DOD 7000.14-R), assets should be valued at their full acquisition cost which should include all costs associated with getting the asset in a form and location suitable for its intended use. The FM function will decide on the appropriate method for determining the item's acquisition cost, whether it be by accumulating actual expenditures or using estimation techniques. In most cases, the FM shop will need to collaborate with other key stakeholders such as the Program Office and Accountable Property Officer to arrive at a reasonable cost. Once the Financial Management function determines the acquisition cost to assign to the asset, they will work with the Accountable Property Officer (APO) to input the cost into the property record and finalize the creation of the asset record.

Question: My agency (USSOCOM) has requirements to provide prototypes as the program progresses. The agency pays costs for the prototype. Is the agency required to have government property clauses and direct the contractor to IUID tag the prototypes?

For contracts where government property will be provided to a contractor for the performance of the contract, the government property contract clauses shall be incorporated into the contract. With regards to whether the item must be IUID'd, the answer is "it depends". If the item in question is one that is serially managed (i.e., individually managed and tracked) and over \$5000 or sensitive/classified or subject to theft, it should be IUID'd. For further information regarding IUID, please see the DoD Procurement Toolbox website at <http://dodprocurementtoolbox.org>.

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Question: Is a PCARSS report sufficient to release contractors of stewardship responsibilities or is a Standard Form (SF) 1424 Inventory Disposal Report required?

The SF 1424 only summarizes the (disposal) actions that occurred--like a bank statement. The actual transaction is what counts. For example, for DoD the Components may issue a DD form 1348-1A (they can do this through PCARSS). A Federal agency transfer would use SF 122, as would a donation through GSA. Other actions that could occur are sales, abandonment, or donation in lieu of abandonment, each action having a summary line contained on the SF 1424. So, the action that relieves the stewardship responsibilities is the action/form generated by the actual disposal.

Question: Does IUID not apply to CAP?

Question: The suggestion is that IUID as a requirement for CAP is based on the type of contract. Correct?

Question: Please provide references to review. This makes me believe that the U.S. Government is not in a position to make a blanket statement that IUID will not be needed for CAP. Correct?

The answer to the question of whether Contractor Acquired Property (CAP) is subject to item unique identification is that it depends. As stated in DoDI 5000.64, no property record should be created for contractor acquired property until that property is receipted and accepted by the government. Since contractor acquired property is acquired on cost reimbursement contracts and negotiated separately, the Program Manager may feel that unique item identification and individual item tracking is required for the CAP item in question. If this is the case, the PM may very well incorporate IUID requirements into the cost reimbursable contract. Keep in mind that if the decision is made for CAP to be accepted and delivered for continued use in the program (by either the contractor or DoD) then the property becomes subject to the IUID marking clause, DFARS 252.211-7003. For additional details regarding IUID requirements, please refer to the DoD Procurement Toolbox located at <http://dodprocurementtoolbox.org>.

Question: Does Program Management equipment used in labs require tracking in PBUSE or is internal system that includes data elements on slide 19 sufficient?

Your Component will set the ultimate requirement for your program in regards to an APSR. Army utilizes PBUSE, DPAS, and other systems for property accountability. An internal system may not be sufficient for the accountability needs of the Army as a whole. We recommend you get in contact with Army G-4 to discuss the requirements for an APSR and if your internal system fulfills the Army requirements.

Question: Tools at an Original Equipment Manufacturer (OEM) plant do not need to be IUID'd, correct?

First, we need to understand whether or not these tools belong to the government or the contractor. Second, we need to know if the tools are special in nature or are commercially available. If these tools belong to the contractor (Original Equipment Manufacturer), then IUID need not apply. If the tools are at the OEM facility, but the Government has title to these tools, then maybe IUID must be applied. If these tools were furnished to the OEM, then it is likely that IUID is involved.

Continuing the thought process, if the tools are special in nature, there is a much greater need for IUID to be applied, especially in regard to the tooling preservation program. If the tools are commercial in nature, acquired as CAP, and the Government does not intend to take acceptance of them, then the OEM tools would not need IUID. Unfortunately, we need more information about the specifics of the situation to give a better answer to this particular question.